GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1794
ANSWERED ON:11.12.2008
REFINERY AND PETROCHEMICAL COMPLEX AT KAKINADA IN A.P.
Nedurumalli Janardhana Reddy Shri

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Oil and Natural Gas corporation (ONGC) has taken a final decision to exit from the proposed Refinery and Petrochemical complex at Kakinada in Andhra Pradesh;

(b) if so, the details and the reasons therefor;

(c) whether ONGC has decided not to set up any refinery in the future and to concentrate only on exploration and production; and

(d) if so, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) & (b). Yes, Sir. In the 13th meeting of Board of Directors of Kakinada Refinery & Petrochemicals Ltd (KRPL) held on 23rd June 2008, the management of Oil and Natural Gas Corporation Ltd. (ONGC) has conveyed its decision to withdraw from the project with immediate effect as the financial appraisal indicated that the project would not provide appropriate returns, even with enhanced capacity of 15 Million Metric Tonnes Per Annum (MMTPA).

(c) & (d). No, Sir. ONGC has taken above decision on the merits of the case. As such the decision is case specific and not a general one.